

TRADEWINDS

California Department of Food and Agriculture
Agricultural Export Program

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SEA URCHIN COMMISSION CERTIFIED

California's Secretary of Food and Agriculture, A.G. Kawamura, announced the certification of the California Sea Urchin Commission in February 2004. The commission will assess divers and handlers of the commodity for the establishment of promotion and research programs.

Divers and handlers will be assessed one cent per pound in the first year, with an option to increase the rate to as much as three cents. In recent years, an average of 13 million pounds of sea urchin has been harvested annually in California.

Source: CDFA Press Release

MARKET FRESH RETAIL PROMO OPPORTUNITY

The USDA's Foreign Agricultural Service is organizing a promotion with Ottawa retailer Market Fresh to showcase U.S. produce in late March/April 2004. Market Fresh is the largest locally-owned independent food chain in the Ottawa area.

Market Fresh is eager to participate with U.S. commodity organizations to promote high-quality American fresh produce available on a year-round basis.

A 2003 survey by Statistics Canada showed that Canadians are eating more fruit, vegetables, and fish—good news for California exporters. Canada is the leading market for California agricultural exports. The 2001 value of the top five California exports to Canada (lettuce, table grapes, processed tomatoes, strawberries, and wine) totaled \$486 million.

For further details about this promotion, contact Darlene Maginnis at darlene.maginnis@usda.gov.

NEWS

USDA'S NATIONAL AG STATS SERVICE CONDUCTS SURVEY AND RELEASES 2002 CENSUS RESULTS

California agricultural producers will have the opportunity to participate in the Agricultural Resource Management Survey conducted by the USDA's National Agricultural Statistics Service. This survey provides leading economic indicators about the agricultural industry. Data will accurately portray California farms as Congress monitors the benefits of the 2002 Farm Bill.

Results will be used by numerous groups, such as commodity groups, lenders, researchers, media, legislators, and others to evaluate economic challenges, determine federal assistance needs, measure profitability, and assess the maintenance of sustainable farms.

The first report with survey results will be released July 15, 2004. For a copy, or to obtain other ag statistics, visit www.usda.gov/nass/.

The NASS has also released preliminary state and national data from the 2002 Census of Agriculture. Preliminary results for California in 2002 show:

- The average age of producers was 56.8 compared to the national average of 55.3 years old;
- Farmland totaled 27.6 million acres compared with 28.8 million in 1997;
- 29.6% of agricultural producers were women;
- The average farm size increased from 327 acres in 1997 to 347 acres.

Final data will be released on June 3, 2004. That report will provide first time facts about organic crop acreage and sales, production contracts, farm computer and Internet use, in addition to the broader range of traditional census data including land use and value of products sold.

All reports from the 2002 Census of Agriculture will be available through the California Ag Statistics Service website at www.nass.usda.gov/ca.

Source: CDFA Press Releases

NEW MEAT AND POULTRY EXPORT CERTIFICATE OF WHOLESOMENESS

In cooperation with China's Administration of Quality Inspection and Quarantine (AQSIQ), the Food Safety Inspection Service (FSIS) of the U.S. Department of Agriculture has revised the Meat and Poultry Export Certificate of Wholesomeness (FSIS 9295-1). This action was taken in order to reduce the incidence of false documents.

The deadline for using this form is March 1, 2004. Shipments of meat, poultry and pork products arriving after March 1, 2004 with any previous versions of the form will not clear Chinese customs.

Please contact the California FSIS field office at (510) 337-5000 for further information.

Source: USDA/FAS Gain Report CH4001

EXPORT OPPORTUNITIES

- A Brazilian importer wants to locate suppliers of wines in the price range \$10-\$30
- A Turkish company seeks suppliers of milling wheat
- A Russian importer wants to locate a supplier of raw in-shell peanuts
- Taiwanese companies are seeking suppliers of yellow onions; crisphead, romaine, leaf, and butter lettuces; various chicken parts; frozen pork bellies; swine offals; whole turkeys and legs; feed grade barley; wheat; fresh broccoli and asparagus; organic molasses; frozen sea urchin, salmon roe, octopus, shrimp, and lobster; parrots and finches; and alfalfa pellets and cubes
- Korean companies are looking for suppliers of organic feed corn; frozen monkfish; hay and straw bales; and peach wine
- A German importer wants to locate a supplier of dried fava beans
- Ukrainian companies are seeking suppliers of wheat and malt barley
- A Bosnian company seeks a supplier of wheat

If you are interested in one or more of these export opportunities, please e-mail the Agricultural Export Program: aepinfo@cdfa.ca.gov



California Department of Food and Agriculture

Secretary, A. G. Kawamura
Deputy Secretary, Elaine Trevino

Agricultural Export Program

Director, Esther Vicente; staff: Patricia "Kelsey" Olson,
Joshua Eddy, Sarah Logue, and Anela Pompei



RECENT FAS/USDA REPORTS

The following reports of interest were released during the month of February. Reports are available on-line at www.fas.usda.gov

Cuba: Web Resources on Ag Trade

China: ATO Promo Opportunities

Mexico: Emergency Standard for Solid Wood Packaging Materials

AMERICAN CAFÉ IN CASABLANCA

California agricultural exporters are invited to participate in the third U.S. Consumer Oriented Food Products Exhibition in Casablanca, Morocco on June 23-24, 2004.

Exporters will be provided free space for two days at one of Casablanca's best hotels to exhibit samples of their products. Participants may also meet one-on-one with carefully selected invitees. Translation services will also be provided if needed.

Attendance will be by invitation only, and will include Moroccans known to be involved in food imports and distribution and to buyers from hotels, supermarkets, restaurants, catering companies and institutions.

In addition to free exhibition space, early applicants will be provided with four nights at the hotel and inland transportation.

The U.S. and Morocco are pursuing negotiations to form a free trade agreement (FTA). This agreement should provide U.S. food exporters with new opportunities and significant advantages over other suppliers that will still face high customs duties. Now is the time for new-to-market U.S. exporters to start establishing links with Moroccan importers to ensure early entry in the post-FTA market.

For further details about the exhibition, please contact Tobitha Jones at Tobitha.Jones@usda.gov or (202) 690-1182. Information regarding the FTA with Morocco can be found in the February 2004 issue of AgExporter, published by FAS.

NEW RESOURCE AVAILABLE TO DAIRY EXPORTERS TO CHINA

A report, titled "The Market for Imported Dairy Products in China—2004 to 2009: An Analysis of Future Strategic Opportunities and Directions for Dairy Product Exporters," was published in January 2004 by Stanton, Emms and Sia.

The report is part of the firm's Asia-Dairy Series, which has covered all dairy markets in Asia, except Japan, since 1994. It was researched and written by dairy industry specialists, and considers market opportunities for exporters of dairy ingredients and finished dairy products over the next five years.

According to the publication, the Chinese economy is expected to report GDP growth for 2003 at about 9%. This trend is projected to continue, with growth expected at 7-8% for the next two years.

The report notes that there have been shortfalls in a range of locally produced dairy products and China's dairy farming industry has been unable to develop at a pace similar to the growing demand for its products. This has resulted in imports accounting for a larger share of dairy product consumption in China in the last decade.

Information provided in the report includes details about the size and structure of the Chinese dairy market; recent market development trends for dairy imports; the regulatory environment and other government policies affecting the dairy markets; and buyer preferences and purchasing criteria. The basis of competition is also addressed, including identifying key competitors, their market shares, and inherent strengths and weaknesses.

The publication also identifies forces for change that will have a future impact on the market and supply chain, barriers to market entry and expansion, and likely future trends and best prospects.

Details specific to particular dairy products are included. Among the nine finished dairy products analyzed are liquid milk; cream; butter; natural, specialized, and processed cheese; and ice cream. The ten dairy ingredients covered include skim and whole milk powder; whey; and lactose.

To view a brochure about the report, which includes sample pages, go to the Publication Notices link at www.calagexports.com/news_and_updates.asp. The report is available at a cost of \$980 by contacting Stanton, Emms and Sia in Singapore by phone at (+65) 6334-7030 or by fax at (+65) 6223-2010.

U.S. AND AUSTRALIA BECOME FREE TRADE PARTNERS

On February 8, 2004, the U.S. and Australia concluded an historic and comprehensive free trade agreement (FTA) designed to eliminate and reduce tariffs and other trade barriers and promote economic growth and prosperity.

U.S. Trade Representative Robert Zoellick stated that the FTA "strengthens our close ties and offers new potential by expanding opportunities for the workers, businesses, consumers and farmers of both countries."

Provisions in the FTA relating to agriculture offer many new opportunities for American farmers. Under the agreement, all U.S. agricultural exports to Australia, totaling over \$400 million, will receive immediate duty-free access.

Immediate tariff elimination will benefit many key agricultural products, including:

- Processed food products, such as soups, food preparation, and bakery products;
- Soybeans and oilseeds products;
- Fresh and processed fruits, vegetables, and nuts, such as dried onions, fruit and vegetable juices, dried plums, potatoes, almonds, tomatoes, cherries, raisins, olives, grapes, corn, frozen strawberries, and walnuts;
- Alcoholic beverages, including spirits.

Source: Office of the U.S. Trade Representative Press Release and Fact Sheet

UPCOMING TRADE EVENTS *Supported by the California Department of Food and Agriculture*

IFIA JAPAN 2004

May 26-28, 2004, Tokyo, Japan

Over 20,000 visitors are expected at this show, targeting food processors and institutional buyers seeking food ingredients and additives.

EXPHOTEL 2004

June 9-11, 2004, Cancun, Mexico

This is the most important trade event for food and beverage products in the Yucatan Peninsula and the Caribbean, attracting 40,000 attendees.

For information regarding any of these events, please e-mail the Agricultural Export Program: aepinfo@cdfa.ca.gov



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